

COUNCIL ACTION FORM

**SUBJECT: SALE AND ISSUANCE OF ESSENTIAL CORPORATE PURPOSE
GENERAL OBLIGATION BONDS PER THE CITY'S CAPITAL
IMPROVEMENT PROGRAM, SERIES 2010A ISSUE IN AN AMOUNT
NOT TO EXCEED \$6,690,000**

BACKGROUND:

The 2010/11 budget included General Obligation Bond funded capital improvement projects in the amount of \$6,690,000. All projects were reviewed and issuance amounts adjusted based on timing of projects and current price estimates.

Projects to be funded by this issue include the following:

2010/2011 CIP G.O. Bond Issue:

Fire Apparatus Replacement	\$ 531,000
CyRide Route Pavement Improvements (Ontario Street)	900,000
Arterial Street Pavement Improvements (Duff Avenue & 6 th Street)	775,000
Collector Street Pavement Improvements (Storm Street)	850,000
Concrete Pavement Improvements (Oakland Street & Lincoln Swing)	1,000,000
Asphalt Pavement Improvements (various locations)	800,000
Downtown Street Pavement Improvements (Kellogg Avenue)	1,500,000
Bridge Rehabilitation Program (6 th Street/Squaw Creek)	165,000
City Hall Improvements	80,000
Subtotal	<u>\$ 6,601,000</u>
Issuance Cost	89,000
Total Debt Issue	<u>\$ 6,690,000</u>

On the morning of August 24, 2010, the City of Ames will accept bids for the bonds per the terms of our offering statement. The bids will be evaluated by our financial advisor, Public Financial Management, by bond counsel, and by City staff to recommend award to the bidder with the lowest cost. A report of bids will be provided to Council at its August 24 meeting. Council may then adopt a resolution accepting bids and authorizing that the sale of bonds be awarded to the chosen bidder.

ALTERNATIVES:

1. City Council can adopt a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed \$6,690,000.

2. The Council can reject the bond sale resolution and delay the capital projects.

MANAGER'S RECOMMENDED ACTION:

Issuance of these bonds is necessary in order to accomplish the City's approved capital improvements during this fiscal year.

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative No. 1, thereby adopting a resolution accepting bids and authorizing the sale and issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed \$6,690,000.